

# **Air Force Acquisition Reform**



## **Acquisition & Sustainment Reinvention Process**

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SAF/AQXA  
27 Oct 98

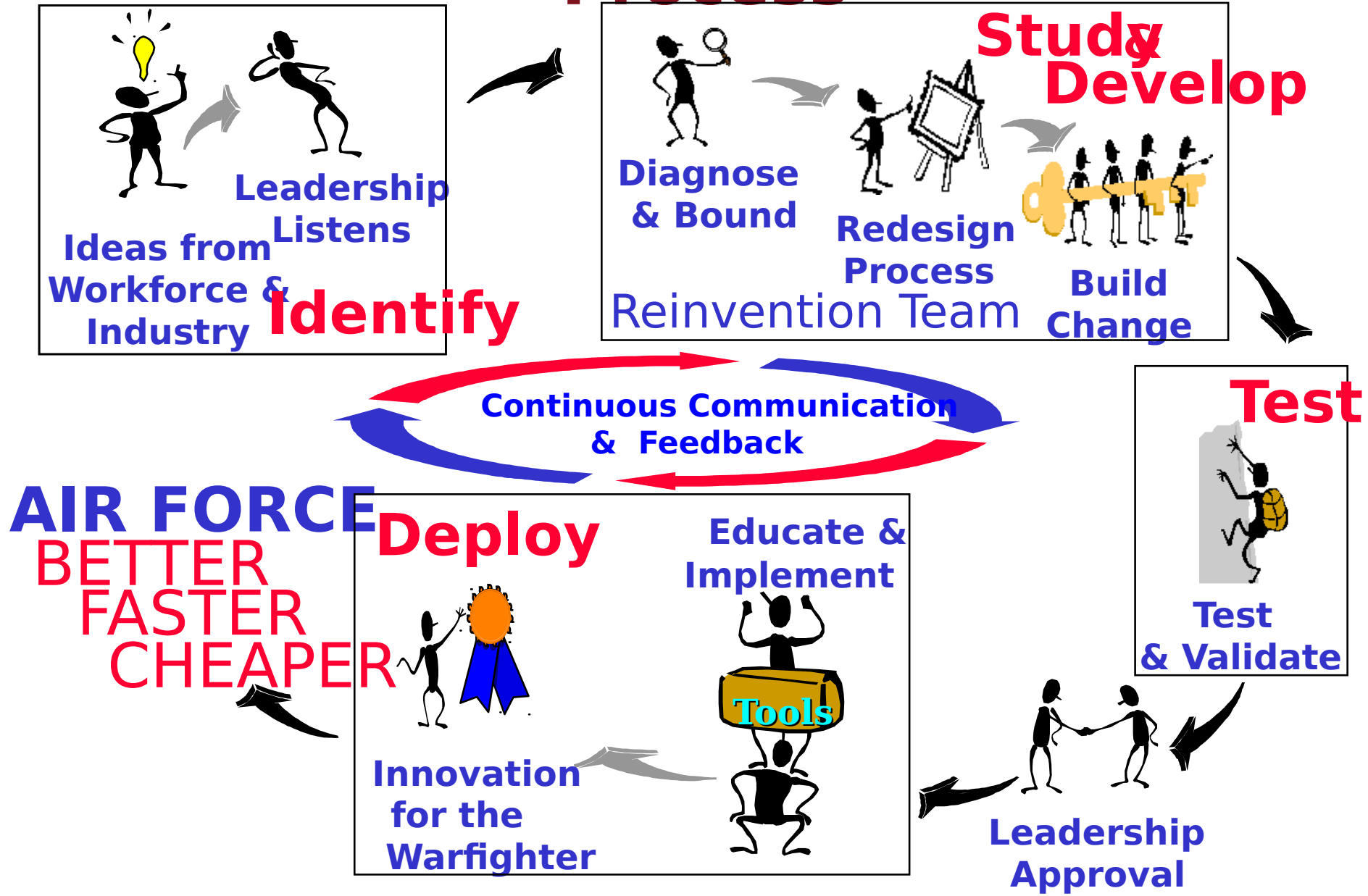
## Background



- Current environment demands that we make business practices more efficient to free up needed resources to support modernization and bring added capability to the warfighter.
- Lightning Bolts jump-started a change in acquisition culture
- We have made great strides to become Better, Faster and Cheaper but there is still more we can do.

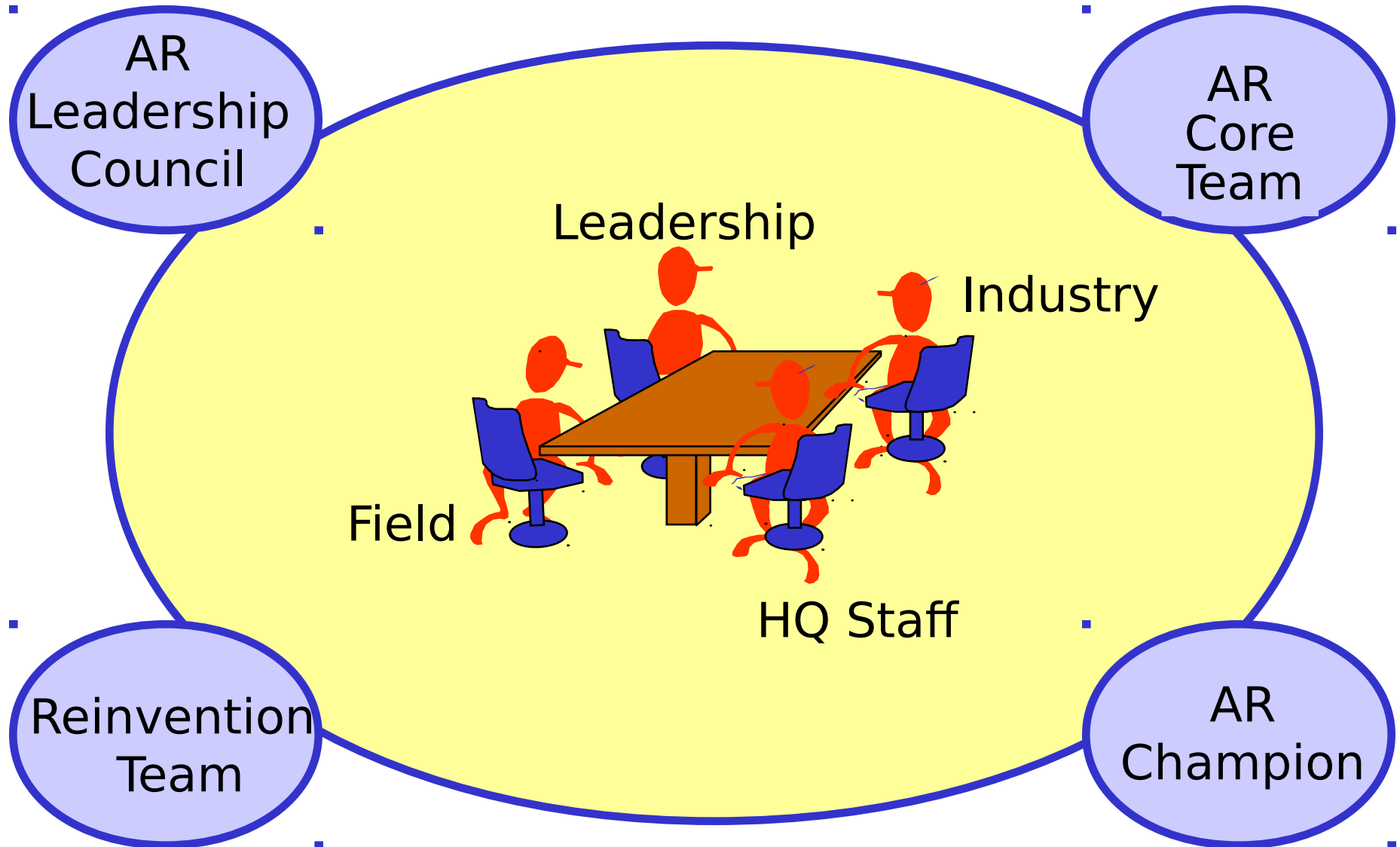
**Better, Faster, Cheaper**  
**\$20B in savings/cost avoidance**

# Acquisition & Sustainment Reinvention Process





# New Acquisition Reform Structure



Acquisition Reform  
Leadership  
Council Membership

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- SAF/AQ - Mrs Druyun
- DUSD (AR) - Mr Soloway
- SAF/FM - Mr Speer
- AF/IL(M) - Mr Dunn
- AF/XO(R) - MGen Carlson
- AF/SC - LtGen Donahue
- AF/XP - LtGen DeKok
- AF/TE - Mr Manclark
- SAF/AQC - BGen Anderson
- SAF/AQX - Mr Durante
- AF/GCQ - Mr Janecek
- AFMC/AQ - Mr Sutton
- Product Centers -  
LtGen Kadish, LtGen  
Raggio, MGen Tattini
- Air Log Centers -  
MGen Perez, MGen  
Goddard
- DCAA - Mr Thibault
- AFAA - Mr Clark

# Acquisition Reform Leadership Council Membership

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## Industry Associations

- National Defense Industrial Association
- Contract Services Association
- Air Force Small Business Advisory
- Electronics Industries Alliance
- Security Affairs Support Association

# New Acquisition Reform Structure

## Acquisition Reform Core Team

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- HQ reps, field reps and Industry Associations
  - Review AR idea submittals
  - Integrate related ongoing ideas, ongoing reforms and reporting requirements
  - Prepare work package and guidance for reinvention teams
  - Guardian angel for reinvention teams
  - Recommendations for awards/recognition

Communicate--Follow Through--Performance Gains

# New Acquisition Reform Structure

## Acquisition Reform Champion

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- Located at product, log and test center, MAJCOMs and Industry Associations
  - Advocate for AR across the organization
  - Identify and facilitate resources for AR
  - Not “acquisition police” or another reporting chain



# New Acquisition Reform Structure

## Reinvention Teams

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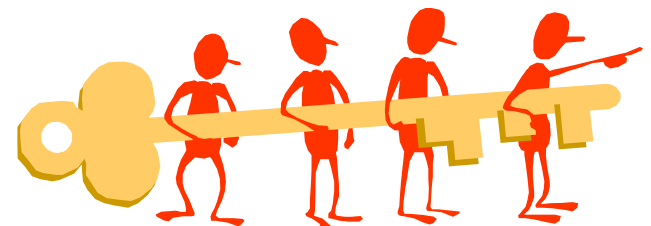


- Hand selected leader, multi-discipline field rep membership

### Rules of engagement:

- Look beyond tasks, jobs and organizational structures using process oriented approach
- Focus on process, people and change management
- Reengineer beyond, not 'around', known constraints
- Leverage related ongoing efforts
- Generate fully executable product

reform



# Reinvention Teams

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- Evolutionary Acquisition (ASC)
  - Investigating evolutionary acquisition and sustainment as a means to expedite delivery to the warfighters of incremental capability driven by available technology and current needs.
- CAIV/Sustainment Emphasis in the Requirements Process (SMC)
  - Investigating integrating Cost as an Independent Variable (CAIV) into the requirements generation process (MNS/ORD); providing a focus on the system life cycle; and allowing trade space for implementation of CAIV principles.
- Program Element Consolidation (ESC)
  - Investigating acquisition process improvements through consolidation of Air Force Program Elements (PEs) and Budget Program Activity Codes (BPACs) in the acquisition-related PEs, resulting in enhanced program management flexibility in response to changing Air Force needs, budget priorities, and technology conditions.

## Reinvention Teams

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- Contract Award Cycle Time for Acquisition and Sustainment
  - Determining implementable methods of reducing cycle time to get contracts awarded using “best practices” collected in previous initiatives, such as Lightning Bolt 10/10a, SPIRIT 97, and the Acquisition Pipeline Inventory Reduction (APIR) program.
- Training (AFMC HQ)
  - Create a process to support deployment to the affected workforce of acquisition policy and process changes that result from acquisition reform. Enhance emphasis on acquisition career development by improving the processes by which the acquisition workforce receives opportunities and credit for acquisition training.
- Commercial Services
  - Testing revolutionary new policies, to replace AFM 64-108 (Services Contracts), that will convert procedure-laden performance work statements to results-oriented, commercial work requirements and result in using “commercial first” as the rule.

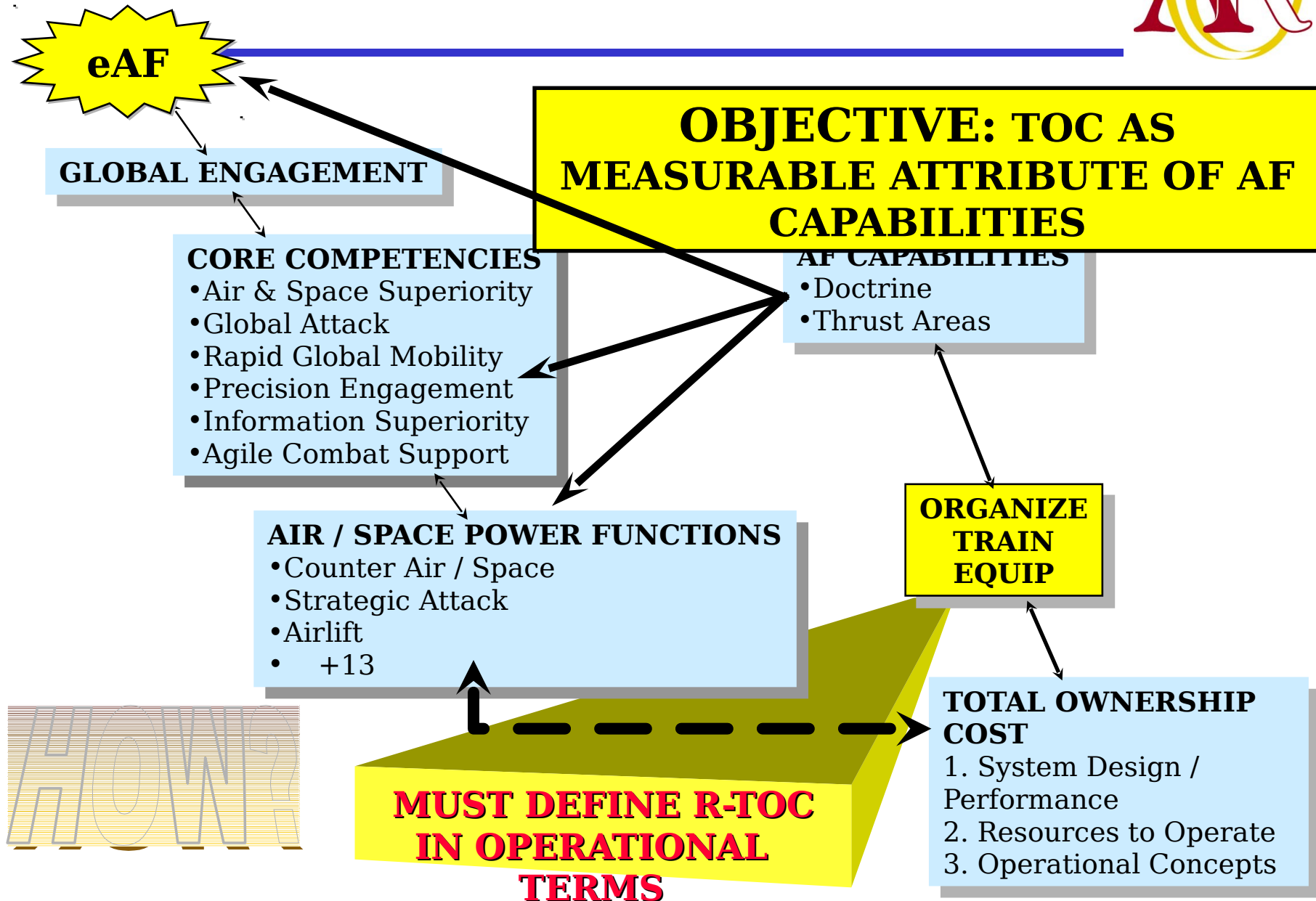
## Reinvention Teams

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- Reengineering the Source Selection Process
  - Testing (15 acquisitions currently) and implementing (target January 1999) revised source selection procedures that are simpler, streamlined, and require fewer people.
- Centralized Sustainment Contracts
  - Investigating approaches for centralized contract award and contract management for meeting requirements that are similar form base to base.
- Total Ownership Cost (Modification & ROI focus)
  - Investigating integrating Total Ownership Costs (TOC) emphasis into the Modification process; providing a focus on TOC throughout the system life cycle.

# TOC Reinvention Team “Operationalizing” TOC



# TOC Reinvention Team APPROACH

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- **STUDY:** How Are Modifications Selected?
  - Map Current Modification Process
  - By On-site Mapping / Interviews
  - Product:
    - Mod Process Map
    - Re-engineered Process Test Plan
- **TEST:** Does MOD Process Consider Both Operational Value and Impact on TOC (Business Value)
- **DEPLOY:** Re-engineered Modification Process
  - Policy
  - Decision-making/ Business Rules
  - Metrics -- “Cost of Operational Value”
  - Analytic Methodology/ Tools
  - Training
- **PRODUCT:** TOC as Parameter of Operational Value

## How You Can Contribute

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- Give us your ideas
  - Innovation Network ([www.safaq.hq.af.mil](http://www.safaq.hq.af.mil))
  - [ARIdeas@af.pentagon.mil](mailto:ARIdeas@af.pentagon.mil)
  - Fax (DSN 425-1068, Comm 703-588-1068)
  - Mail (Attn: SAF/AQXA, 1060 Air Force Pentagon, Washington, DC 20330-1060)
- Support the Process!